

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: David R. Bryant
Bryant Family Investment Fund, LLC
17217 S. Broadway
Gardena, California 90248

DESIST AND REFRAIN ORDER
(For violations of sections 25401, 29520 and 29536 of the Corporations Code)

The Commissioner of Business Oversight finds that:

1. At all relevant times, Bryant Family Investment Fund, LLC ("BFIF") is, or was, a California corporation with the principal place of business located at 17217 S. Broadway, Gardena, California 90248.

2. At all relevant times, David R. Bryant ("Bryant") is, or was, the owner and founder of BFIF.

3. Beginning in or about June 2014, Bryant and BFIF offered and sold securities in the form of investment contracts described as "Letter of Engagement And Agreement" ("Agreement") to at least four investors raising at least \$425,000.00. The purpose of the offering was to raise money to invest in various commodity futures trading accounts that Bryant and BFIF maintained with different futures commission merchants.

4. On October 15, 2014, Bryant signed an Agreement with at least one investor which provided, among other terms, that "The goal of this fund is to enter long and short positions in crude oil futures, and other instruments that DB deems as possible profitable positions. These may include DAX futures which are traded on the Eurex Exchange, S&P 500 futures, the Russell 2000 futures, Dow Futures, Gold and Silver. Also, positions in options may be used and [sic.] DB's discretions." The Agreement stated that the investor would pay "... a fee of 10% of profits. Profits shall be determined at the end of each month and will be net of all commissions and exchange fees." Bryant told investors their money would be traded as a pool in commodity futures and options on their

1 behalf. Bryant further represented that investor funds would be held in "a separate sub account ...
2 and are not comingled with other investors." Bryant and BFIF promised to send investors a "Daily
3 Settlement Statement reflecting the day's profit/loss," and "1099 Tax forms by Jan. 31 of each year
4 that will reflect the table gain for the year."

5 5. Bryant and BFIF sold or purchased, offered to sell or purchase commodity contracts or
6 options, or offered to enter into, or entered into, as a seller or purchaser of commodity contracts or
7 options in California.

8 6. The contracts or options Bryant and BFIF sold or purchased, offered for sale or
9 purchased, or offered to enter into, or entered into, as a seller or purchaser are commodity contracts
10 and commodity options, as defined in Corporations Code sections 29505 and 29510, respectively.

11 7. Bryant and BFIF's above-described transactions do not meet the exemptions found in
12 sections 29530, 29531 and 29532 of the Corporations Code and are in violation of Corporations Code
13 section 29520.

14 8. In connection with the offer and sale of these securities and the offer to enter into, or
15 the entry into, a commodity, commodity contract, or commodity option, Bryant and BFIF made, or
16 caused to be made, misrepresentations of material fact or omitted to state material facts necessary in
17 order to make the statements made, in the light of the circumstances under which they were made, not
18 misleading, in violation of sections 25401 and 29536 of the Corporations Code. These
19 misrepresentations and omissions included, but are not limited to the following:

- 20 a. Misrepresenting that investors' money would be used to trade in commodity futures
21 and options when, in fact, some of the money was deposited into Bryant's personal
22 trading accounts;
- 23 b. Representing that investors' funds would be deposited in a "Bryant Family Investment
24 Fund LLC" account when in reality, no such account existed;
- 25 c. Representing that investors' funds would be placed in separate accounts and not
26 comingled with other investors' accounts, when in fact, investors funds were
27 comingled with Bryant's personal accounts and the accounts of other investors;
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- 1 d. Promising to send investors daily settlement statements and failing to send such daily
2 settlement statements since March 20, 2015; and
3 e. Failing to disclose trading losses to investors and instead providing investors false
4 daily settlement statements that appeared to show trading profits.

5 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
6 that David R. Bryant and Bryant Family Investment Fund, LLC sold or purchased, offered to sell or
7 purchase commodity contracts or options, or offered to enter into, or entered into as a seller or
8 purchaser of commodity contracts or options in violation of section 29520 of the Corporations Code.

9 Pursuant to section 29542 of the Corporations Code, David R. Bryant and Bryant Family
10 Investment Fund, LLC are hereby ordered to desist and refrain from engaging in any activity that
11 constitutes a violation of Corporations Code sections 29520 and 29536 unless and until the activity
12 will not be in violation of any provision of this law or any rule or order under this law.

13 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
14 that the securities in the form of investment contracts described as “Letter of Engagement And
15 Agreement,” commodity contracts, and commodity options offered and sold by David R. Bryant and
16 Bryant Family Investment Fund, LLC were offered and sold in this state by means of written or oral
17 communications that included untrue statements of material fact or omitted to state material facts
18 necessary in order to make the statements made, in the light of the circumstances under which they
19 were made, not misleading, in violation of sections 25401 and 29536 of the Corporations Code.

20 Pursuant to Section 25532 and 29542 of the Corporations Code, David R. Bryant Bryant and
21 Family Investment Fund, LLC, are hereby ordered to desist and refrain from offering or selling or
22 buying or offering to buy any security or commodity in the State of California, including, but not
23 limited to, investment contracts described as “Letter of Engagement And Agreement,” commodity
24 contracts, and commodity options

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1 by means of any written or oral communication which includes an untrue statement of a material fact
2 or omits to state a material fact necessary in order to make the statements made, in the light of the
3 circumstances under which they were made, not misleading.

4 This Order is necessary, in the public interest, for the protection of investors and consistent
5 with the purposes, policies, and provisions of the California Commodity Law of 1990 and the
6 Corporate Securities Law of 1968.

7 Dated: May 24, 2016
8 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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10 By _____
11 MARY ANN SMITH
12 Deputy Commissioner
13 Enforcement Division
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